
EVALUATOR MANUAL TRANSMITTAL SHEET

Distribution:

☐ All Child Care Evaluator Manual Holders
☐ All Residential Care Evaluator Manual Holders
☒ All Evaluator Manual Holders

Transmittal No.
04RM-03**Date Issued**

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Subject:

Reference Material – Annual License Fees

Reason For Change:

To transmit changes to the Annual License Fees Section.

This section has been revised to remove outdated information that has been repealed.

Filing Instructions:

☒ REMOVE – Entire Annual License Fees Section
☒ INSERT – This package titled Annual License Fees

Approved:***Original signed by C. McCoy******3-16-04***

CATHLEEN A. McCOY, Chief
Technical Assistance and Policy Branch
Community Care Licensing Division

Date

Contact Person: Sharon Whitted

Phone Number: 916-327-4104

LIC 9025 (7/99)

TABLE OF CONTENTS

Annual Visits/Fees Repealed 11/03	3-1000
General Statement Repealed 11/03	3-1010
General Statement.....	3-1020
Annual License Fee Process	3-1050
Annual License Process Repealed 11/03	3-1100
Review of File (Modified and Moved to 3-4150).....	3-1200
Request for Changes in the License Repealed 11/03	3-1300
Annual Fees Repealed 11/03	3-1400
Facility Visits Repealed 11/03	3-1500
Residential Facilities and Adult Day Care Repealed 11/03	3-1510
Foster Family Homes Repealed 11/03	3-1520
Child Care Centers Repealed 11/03	3-1530
Combination Child Care Centers Repealed 11/03	3-1540
Family Child Care Homes Repealed 11/03	3-1550
Family Child Care Home Annual Visit Protocol Repealed 11/03	3-1560
Review of the Annual License Fee Notice or Billing Notice Repealed 11/03	3-1600
(Modified and Moved to 3-1050)	
Denial of the License Repealed 11/03	3-1700

3-1000	ANNUAL/VISITS/FEES (Repealed 11/03)	3-1000
3-1010	GENERAL STATEMENT (Repealed 11/03)	3-1010
3-1020	GENERAL STATEMENT	3-1020

With the exception of certified homes of foster family agencies and Foster Family Homes, an Annual License Fee Notice is sent out to all facilities, 120 days prior to the anniversary date of the current license. The Annual License Fee Notice notifies the licensee that the annual license fee is due by the 30th calendar day preceding the facility anniversary date to the Central Office Cashiering. **For State licensed facilities**, the Annual License Fee Notice is automatically generated by the licensing information system.

For County licensed facilities, the counties are responsible for billing the licensing fees 120 days prior to the anniversary date of the license. This billing notice must reflect a payment due date that is 30 days prior to the anniversary date of the license. Failure to pay the required fees, may result in denial of an application or forfeiture of a license.

It is the Licensing Program Analyst's responsibility to ensure that all licensed facilities currently in operation in his/her caseload have paid the required licensing fee in order to retain a valid license.

3-1050	ANNUAL LICENSE FEE PROCESS	3-1050
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I. PAYMENT PROCEDURES FOR STATE LICENSED FACILITIES

The *Annual License Fee Notice* instructs the licensee to pay the annual license fee by the 30th day preceding the facility's anniversary date and send it directly to the Central Office Cashiering, MS B-67, 744 P Street, Sacramento, CA 95814. Within 48 hours of receipt, the Central Office Cashiering will enter the payment information into the Cashiering screen. The regional office can verify payment on the *Payment History Menu* screen of the [Licensing Information System](#).

If the licensee returns the *Annual License Fee Notice* and payment to the regional office, the regional office must forward the payment immediately to the Central Office Cashiering, MS B-67, so timely entry of payment into the [Licensing Information System](#) can be done.

II. PAYMENT PROCEDURES FOR CONTRACTED COUNTIES LICENSING FAMILY CHILD CARE HOMES:

The counties are responsible for billing the new licensing fees 120 days prior to the anniversary date of the license. This billing notice must reflect a payment due date that is 30 days prior to the anniversary date of the license. Failure to pay the required fees, may result in denial of an application or forfeiture of a license.

3-1050 ANNUAL LICENSE FEE PROCESS (Continued)**3-1050**

Once the county has collected the license processing fees, the fees are to be remitted to the State Department of Social Services in one county check per month. The check is to be sent to the Department of Social Services, Central Office Cashiering, 744 P Street, M.S. B-67, Sacramento, CA 95814. Accompanying documentation must specify the following:

1. Purpose - Family Child Care license fees.
2. County of origin and PCA Code Number 84773.
3. The number and the amount of fees collected for new applications for facilities serving 8 or fewer children.
4. The number and the amount of fees collected for new applications for facilities serving 9-14 children.
5. The number and the amount of fees collected for annual fees for facilities serving 8 or fewer children.
6. The number and the amount of fees collected for annual fees for facilities serving 9-14 children.

Any variance to the above procedures will require written permission from the Community Care Licensing Division.

III. PAYMENT PROCEDURES FOR ALL FACILITY TYPES:**A. Annual Licensee Fee Payment Received After Facility Anniversary Date**

If a licensee pays the annual fee after the anniversary date, regional office or county staff must inform the licensee to submit a new license application and new application fee to become re-licensed. All licensing requirements for a newly licensed facility are the same for a facility re-licensure. (Any exceptions to this must be approved by the Regional Office Manager or county equivalent).

B. Licensee Fails To Pay Annual License Fee By Facility Anniversary Date

A licensee who fails to pay the full annual fee by the facility's anniversary date subjects the license to forfeiture under Health and Safety Code Section 1523.1(d), 1569.185(d) and 1596.803(d), or to revocation in the case of residential care facilities for the chronically ill under Health and Safety Code Section 1568.05(g). In the event that the facility continues to operate after its license is forfeited or revoked, it is operating as an unlicensed facility and is subject to unlicensed facility penalties pursuant to Health and Safety Code Sections, 1547, 1596.891(a), 1568.0821, and 1569.485.

3-1050 ANNUAL LICENSE FEE PROCESS (Continued)

3-1050

C. Annual Fee Notice Received From Licensee - Facility No Longer In Operation

Upon receipt of an *Annual License Fee Notice* or other written notification from the licensee indicating they are no longer in business, the Licensing Program Analyst should review the facility file to see that there is no pending or anticipated legal action against the licensee.

If there is evidence that may support an administrative action, or an administrative action has been initiated, the licensing staff must acknowledge receipt of the surrendered license as follows: "We acknowledge receipt of your license and/or your statement that you no longer wish to be licensed for a community care/child care/residential care facility. This acknowledgement does not deprive the Department of its authority to institute or continue an administrative action against your license. If the administrative action results in the revocation of your license, you cannot apply for a new license until two years have elapsed from the date of the revocation."

For further instructions, refer to the Evaluator Manual Policy and Procedures Sections 80035, 101186, and 87236, Conditions for Forfeiture of a License, and Section 102402 Application/Annual Fee. For further instructions on Conditions for Revocation of a License for Residential Care Facilities for the Chronically Ill, see Title 22 Regulations Section 87842. Also refer to Evaluator Manual Enforcement Actions Section 1-1000.

For the purpose of closing the facility, the *No Longer in Business Notification* or other written notification to close the facility, can only be signed by the licensee. The regional office must close the facility on the licensing information system whether or not there is pending or anticipated legal action against the licensee. The regional office staff must input Closure Code 3 (Closed-Licensee Initiated) into the *Facility Closure* screen of the licensing information system. County licensing offices must close the facility on their licensing data base or manual system.

(Note: The Licensing Program Analyst must be informed of the closure).

D. Regional Office Receives Proof of Payment From Licensee

If the regional office receives proof of payment from the licensee, the regional office must place a copy into the facility file and forward the original documentation to the Accounting Unit, MS B-67, for entering into the licensing information system. If the facility is a residential care facility for the chronically ill which has already been referred to the Legal Division for revocation, any activity on the account number must be routed through the Legal Division.

3-1050 ANNUAL LICENSE FEE PROCESS (Continued)

3-1050

E. Notice of Forfeiture of License and Notice of Revocation

If the full annual license fee payment has not been entered into the Licensing Information System by the Central Office Cashiering or the licensee-initiated closure code has not been entered into the LIS by regional office staff by the 8th calendar day **proceeding** the facility's anniversary date, the LIS will generate a *Notice of Forfeiture of License* and a second *No Longer in Business Notification*. The LIS generates a *Notice of Revocation* for Residential Care Facilities for the Chronically Ill. The California Department of Social Services' mailroom will send these notices to the licensee's mailing address and, if different, to the facility's address. A *List of Open Facilities Issued a Forfeiture/Revocation Notice* is printed at the regional office. **The list identifies facilities requiring a follow-up courtesy call by the regional office.** The licensee's failure to pay the annual fee will result in the license(s) being forfeited.

County licensing staff are required to follow up with a courtesy call to those facilities issued the Notice of Forfeiture of License.

F. Follow-Up Courtesy Call Procedures

The Regional Office **staff** calls the licensees on the *List of Open Facilities Issued a Forfeiture/Revocation Notice*. The phone calls shall be made within 7 calendar days following the date the report prints to find out the status of the fee payment and facility operation.

The county licensing staff calls the licensee within 7 calendar days following the date the notification was mailed.

1. Licensee states facility still in operation

If the licensee states the facility is still in operation, inform the licensee that in order to retain their license, they must pay the full annual fee **immediately or their license is forfeited by operation of law or revoked in the case of residential care facilities for the chronically ill.**

If the licensee states they have paid their full annual fee, request that the licensee submit proof of payment immediately. Upon receipt of proof of payment licensing staff must follow up with the Central Office Cashiering.

2. Licensee states facility is no longer in operation

If the licensee states the facility is no longer in operation, the regional or county office must ask the licensee if they wish to surrender their license. If the licensee chooses to surrender the license, direct them to sign and return the *No Longer in Business Notification* acknowledging the surrender and remit this along with their original license to the listed regional or county office.

3-1050 ANNUAL LICENSE FEE PROCESS (Continued)**3-1050**

Upon receipt of the signed *No Longer in Business Notification* or other written notification, the license will be forfeited pursuant to Health & Safety Code Sections 1568.061(b), 1524(b), 1596.858(b), or 1569.19(b). The licensing staff must acknowledge receipt of the surrendered license as follows: “We acknowledge receipt of your license and/or your statement that you no longer wish to be licensed for a community care/child care/residential care facility. This acknowledgement does not deprive the Department of its authority to institute or continue an administrative action against your license. If the administrative action results in the revocation of your license, you cannot apply for a new license until two years have elapsed from the date of the revocation.”

Regional Office staff are to input Closure Code 3 “Closed-Licensee Initiated” into the *Facility Closure* screen. Counties must close the facility on their licensing data base or manual system. No additional automated notices will be produced. Regional office or county staff must document all related telephone conversations on the Contact Sheet (LIC 185) to be placed in the facility file.

(Note: The Licensing Program Analyst must be informed of the closure).

IV. CLOSING A FACILITY DUE TO NONPAYMENT FOR REGIONAL OFFICES

If the full annual fee payment has not been entered into the *Payment History Report* screen of the Licensing Information System (LIS) or the licensee-initiated closure code has not been entered into the *Facility Closure* screen by the 11th calendar day following the facility’s anniversary date, the facility will appear on the LIS generated list named **“Listing of Facilities To Be Closed Due to Nonpayment of Annual Fees”** or for residential care facilities for the chronically ill, the **List of Residential Care Facilities for the Chronically Ill to Legal**.

The lists print each Monday evening at the regional office and every second Monday of each month at the program offices. The listings capture facilities remaining open on the **Licensing Information System** from 11 to 30 calendar days past their facility’s anniversary date and in increments of 30 days thereafter. *The regional office report and program office report are the same reports and can be referenced by the report run date.* After reviewing the facility file and verifying that payment has not been received perform the following closure procedures:

- ***For all facility types except Residential Care Facilities for the Chronically Ill***, to close the facilities that appear on the list, regional office staff must input Closure Code 7, entitled “Closed-Non-Payment” into the *Facility Closure* screen of the licensing information system. Facilities on the list must be closed within 10 calendar days from the report print date

3-1050 ANNUAL LICENSE FEE PROCESS (Continued) 3-1050

- **For Residential Care Facilities for the Chronically Ill** facilities that appear on the List of Residential Care Facilities for the Chronically Ill to Legal, the facility file must be sent to legal for revocation action due to nonpayment of their annual license fee. The Licensing Program Analyst must record the status of the facility through entering Code 1, Administrative Action Pending, in the LIS prior to sending the file. Any activity on the account, once it has been sent to legal for revocation, must be routed through the legal division.
- Visits are discretionary for verifying facility operation has ceased.

(Note: The Licensing Program Analyst must be informed of the closure).

3-1100	ANNUAL LICENSE FEE PROCESS (Repealed 11-03)	3-1100
3-1200	REVIEW OF FILE (Modified and Moved to 3-4150)	3-1200
3-1300	REQUEST FOR CHANGES IN THE LICENSE (Repealed 11-03)	3-1300
3-1400	ANNUAL FEES (Repealed 11-03)	3-1400
3-1500	FACILITY VISITS (Repealed 11-03)	3-1500
3-1510	RESIDENTIAL FACILITIES AND ADULT DAY CARE (Repealed 11-03)	3-1510
3-1520	FOSTER FAMILY HOMES (Repealed 11-03)	3-1520
3-1530	CHILD CARE CENTERS (Repealed 11-03)	3-1530
3-1540	COMBINATION CHILD CARE CENTERS (Repealed 11-03)	3-1540
3-1550	FAMILY CHILD CARE HOMES (Repealed 11-03)	3-1550
3-1560	FAMILY CHILD CARE HOME ANNUAL VISIT PROTOCOL (Repealed 11-03)	3-1560
3-1600	REVIEW OF THE ANNUAL LICENSE FEE NOTICE OR BILLING NOTICE (Repealed 11-03) (Modified and Moved to 3-1050)	3-1600
3-1700	DENIAL OF THE LICENSE (Repealed 11-03)	3-1700